C1880-3
R1 2/3/89

R&I EXCLUSIVE: CONSUMERS PICK TOP CHAINS...44

R&I survey ranks quality, awareness, patronage...53

New Taste series: Great American Food Chronicles...118
R&I Report: Trademarks; service charge; drugs.....26
Food: A sunny side up approach to breakfast dishes..132

FEBRUARY 6, 1989

A Cahners publication serving the total foodservice industry

RESTAURANTS & INSTITUTIONS

R061 6966 (90310) 041/ 00
S&I ACQUISITIONS
CONGRESSIONAL TMED SVC
4520 EAST WEST HWY
BETHESDA MD 20814

THE ONE AND ONLY AMERICAN BURGER

FEB. 6, 1989

BRIEFINGS

VOL. 99 NO. 4

R&I's Annual Choice in Chains

■ In naming the restaurant chains they like best, consumers not only selected *R&I*'s 1989 Choice in Chains winners, but cast their vote for or against menu and operational trends throughout the country. Our story presents profiles of the 10 winning chains, as well as sketches of the 62 runners-up.

Exclusive on page 44.

And the Winners Are . . .

BURGER CHAINS: Wendy's won the top spot for the burger segment in our customer-satisfaction ranking. The next highest-scoring companies, in order, are Whataburger, Burger King, McDonald's and Hardee's. *Page 56.*

SANDWICH CHAINS: Rax tops the list with A&W, Arby's, Roy Rogers and Subway following close at hand. *Page 62.*

SWEET SHOPS: Customers this year are most tempted by TCBY's frozen yogurt. They also like to satisfy their sweet-tooth yearnings at Baskin-Robbins, T.J. Cinnamon, Carvel, Dairy Queen and Dunkin' Donuts. *Page 64.*

FAMILY DINING: Mom, Dad and the kids especially like to gather at Bakers Square. Other companies catering nicely to the family are Morrison's, Shoney's, Furr's. *Page 66.*

CASUAL DINING: Benihana returns to the top of this dining category, primarily because of its atmosphere. Stuart Anderson is rated high for its food quality. *Page 80.*

CHICKEN CHAINS: Grandy's takes the grand prize in this year's Choice in Chains survey. Kentucky Fried Chicken's and Chick-fil-A's marks are almost as high. *Page 86.*

SEAFOOD HOUSES: Red Lobster captures most customer satisfaction in this category. But many customers, 50 years or older, are hooked on Capt. D's. *Page 92.*

STEAKHOUSES: Survey respondents stamp Steak & Ale Prime, with Western Sizzlin', Mr. Steak and Golden Corral rated Choice. *Page 94.*

MEXICAN CHAINS: Food quality was often the deciding factor in patrons' choice of a restaurant in this group. El Torito is "hot," Chi-Chi's and Taco Bell follow. *Page 102.*

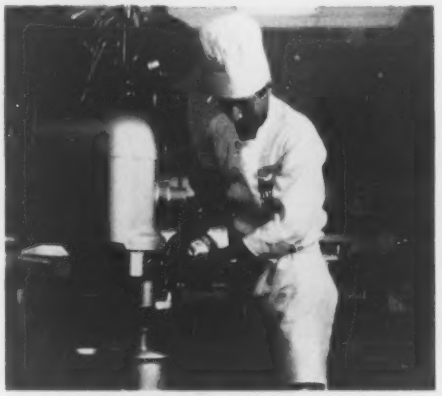
PIZZA PLACES: Pizza Hut tops our survey's list of the most popular pizza chains. Godfather's and Domino's deliver some competition. *Page 106.*

About the Cover

■ In the first article of a new series, Great American Food Chronicles, *R&I* pays tribute to the first hundred years of, and looks at some variations on, a wonderful culinary creation, the hamburger.

Story on page 118.

A complete index to this issue is on page 6.



Mixers in the kitchen on page 129.

One of America's favorite chains on page 44.

The Hamburger Chronicle on page 118.

FEB. 6, 1989

CONTENTS

VOL. 99 NO. 4

Restaurants & Institutions: winner of more Neal Awards than any other foodservice magazine.

BRIEFINGS
A summary for busy readers 5

COMMENTS
Great American Food Chronicles: Part One . . . 11
Operations in this issue 11

VIEWPOINT
Back to basic *what?* 12

R&I FORUM
Letters 20

R&I REPORT
Legislation: Trademark legislation updated 26
Labor: Making workplaces drug free 28
Policies: Switch to service charge can work 30
Industry Update: Credit-card fee hikes reversed 34
Human Resources: AIDS cases can create "Catch 22" 36

R&I SCENE
People, Places & Promos 40
Personal Glimpse: Thad Eure Jr. 41

R&I CHOICE IN CHAINS
Customer Survey: America's favorite chains 44
Segment winners 46
Burgers 56
Sandwiches 62
Sweets 64
Family dining 66
Casual dining 80
Chicken 86
Seafood 92
Steak 94
Mexican 102
Pizza 106

MENUS
Menu Concepts: "Great Restaurants" looks for inspiration; Subway rolls turkey, low-calorie menu; Cooker opens eighth family restaurant 111
Consumers' Choice: Porking out 111

TASTE
American Cuisine: The hamburger (first article in *R&I*'s new series, Great American Food Chronicles) 118

EQUIPMENT
Vertical Mixers: Mixers smoothly blend function and efficiency 129

FOOD
Day Parts: Sunny side up 132

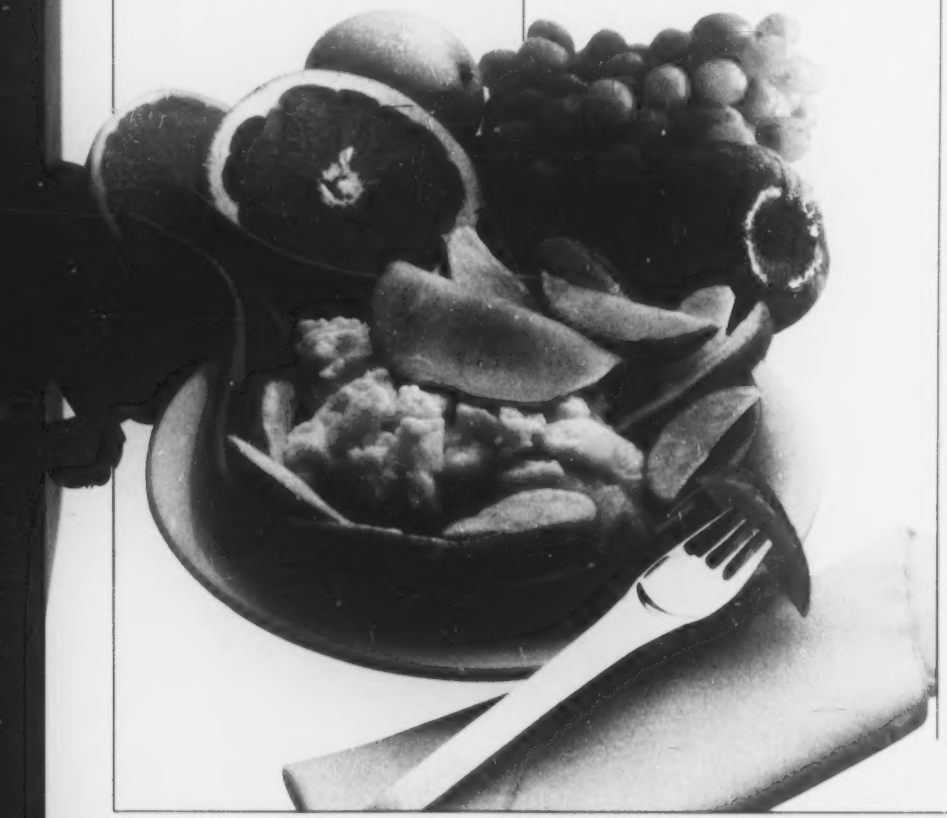
MARKETPLACE
Buyers Mart 150

CLASSIFIED ADS
Buying, selling, changing jobs 163

ACTION EXPRESS
For more information about products 172

ADVERTISERS INDEX
Where to find ads in this issue 172

READER SERVICE CARD
To send for more information 173



R&I CHOICE IN CHAINS

■ CUSTOMER SURVEY

America's Favorite Chains

Dining-out public approves of popular food trends and discounts a few myths.

In naming the restaurant chains they like best, consumers not only selected *Restaurants & Institutions'* 1989 Choice in Chains winners, but cast their votes for or against menu and operational trends throughout the industry. First, good news for the numerous sweets chains that have added frozen yogurt. TCBY's victory over Baskin-Robbins in the sweets category proves that Americans will seek out low-fat treats. But customers also seek out rich desserts, namely Bakers Square's pies: The chain beat both Bob Evans and Shoney's in the family-dining segment. Customers really want variety or else Rax, which offers an extensive food bar, would not have topped sandwich-only chains in that category. Wendy's rise to No 1. among burger chains, Benihana's return to the top of the casual dining category and Steak & Ale's win in the steakhouse segment prove that financial setbacks are no excuse for offering patrons less than the best in service, food and atmosphere. Customers themselves prove correct two opposing theories: Bigger is better *and* smaller is sweeter. National giants Pizza Hut and Red Lobster take the prize in the pizza and seafood categories, respectively. But Texas favorite Grandy's tops even Kentucky Fried Chicken among chicken chains; and El Torito, which has most of its units on the West Coast, beats out Taco Bell. Read on for profiles on each of the 10 winning chains and sketches of the 62 runners-up.

—Lisa Bertagnoli and Brian Quinton

Kevin Hopkins (r.) and daughter Caitlin enjoy breakfast at Bakers Square, winner in the family dining segment.

1988 CHOICE IN CHAINS WINNERS

Burgers
WENDY'S INTERNATIONAL

Sandwiches
RAX RESTAURANTS

Sweets
TCBY

Family Dining
BAKERS SQUARE

Casual Dining
BENIHANA

Chicken
GRANDY'S

Seafood
RED LOBSTER

Steak
STEAK & ALE

Mexican
EL TORITO

Pizza
PIZZA HUT

R&I CHOICE IN CHAINS

Winners focus on signature menu items and service systems to keep customers happy.

HOW *R&I* RANKS POPULARITY

To compile this year's *R&I* Choice in Chains ranking, the market research firm National Family Opinion Inc. sent 2,000 questionnaires to a demographically balanced sample of the population and received 1,309 usable replies, a 65% return rate.

The questionnaire listed the top 75 restaurant chains from the most recent *R&I* "400" and asked respondents (1) whether they had heard of the chain, (2) whether they had eaten there in the last year, and (3) if so, whether they had enjoyed the experience a great deal, somewhat or not at all.

Each chain received two points for every respondent who liked it "a great deal" and one point for everyone who "liked it somewhat." From this figure, tabulators subtracted one point for every respondent who disliked the chain. Finally, the point total was divided by the number of those surveyed who said they had tried the chain in the last year. This final number, ranging anywhere from −1 to +2, became the chain's satisfaction index.

The chain with the highest satisfaction index in its segment won the category. Where two chains earned the same satisfaction index, the one visited by more respondents was declared the winner.

Please note: Numbers appearing to the right of each company name on these two pages refer to the *R&I* satisfaction index.

WENDY'S INDEX: 1.20

Executives at Dublin, Ohio-based Wendy's think they know why they are back in first place in the burger segment. "We are guilty of having moved away from burgers, but have increased the focus on burger superiority," says Denny Lynch, vice president of communications for the burger chain.

The SuperBar, which has been accused of blurring Wendy's focus on burgers, will remain "a piece of the puzzle for the '90s," Lynch says. The hot and cold food bar has been installed in 2,000 of the chain's 3,600 restaurants. The chain is also experimenting with additional menu uses for the bar, Lynch adds.

Customers say Wendy's best attribute is good value, but like the atmosphere as well. "We go to Wendy's because of the salad bar and the atmosphere," says Gary Fishleigh, whose children help make restaurant selections. Most Wendy's patrons live in the South Atlantic and East North Central regions, and spend between $10 and $25 on meals out per week. Young parents are more likely to visit Wendy's than any other demographic group.

RAX INDEX: 1.24

Rax, like Wendy's, plans to renew its focus on sandwiches, says President Larry Ritter. About four years ago, the chain turned its salad bar into a hot and cold lunch/dinner bar and, in fact, recently added Oriental items to the lineup. The return to sandwiches and a simpler salad bar will dispel some store-level operational problems associated with the bar, and will allow Rax to lower the price of the food bar, Ritter says.

Last year, Rax introduced meatball and taco pocket sandwiches. More pocket varieties, a honey-cured ham sandwich and a king-size roast beef sandwich are in test, Ritter says. On the service side, the chain is experimenting with self-service beverage stations.

Patrons say Rax's best attribute is quality of food. "The salad bar is good and plentiful," recalls Candy Stoner. Rax, which is based in Columbus, Ohio, does well in the East North Central regions, with patrons who spend between $26 and $50 a week on meals away from home. The chain is most popular with young parents.

TCBY INDEX: 1.54

The biggest yogurt chain in the country jumped on a hot trend in January by adding six flavors of nonfat yogurt, including macadamia nut and strawberry. During winter months, the chain is offering Belgian waffle sundaes, hot brownie sundaes and Bananas

Wendy's (l.) and Rax, both major players in the hot food-bar game, are refocusing on basic fare: burgers for Wendy's, roast-beef sandwiches for Rax.

TCBY, the country's largest yogurt chain, now rules the sweets category.

Foster. In addition, the chain continues to roll out new flavors to prevent customer boredom. In 1987, for instance, the chain rolled out White Chocolate Mousse, a "megaflavor," according to Mimi Hurst, vice president of corporate communications for the Little Rock, Ark.-based chain.

On the service side, Hurst says, the chain is making drive-thru service a priority by choosing restaurant sites that can handle drive-thru traffic.

TCBY patrons give the chain highest marks for food quality. "The yogurt really has the best flavor," says Michael Lorenzini, a young single who frequently visits TCBY. The chain is most popular in the South Atlantic region, and young couples are TCBY's most loyal customers. Most customers of the yogurt chain spend between $26 and $50 per week on food away from home.

BAKERS SQUARE **INDEX: 1.53**

Bakers Square has done much in the past year to improve service, says Emerson Kendall, president of the the Matteson, Ill.-based chain, which is a division of VICORP Restaurants. The chain has a program for store-level managers that awards points for prizes and other incentives commensurate with a restaurant's level of service.

Even though all Bakers Square restaurants offer breakfast, Kendall says the chain continues to focus on dinner and dessert. Several chicken dinners were added to the menu last year, as was a new pie, Caramel Pecan Silk Supreme. Two new chocolate cakes are in test.

Two-thirds of respondents who patronize Bakers Square think the chain has good-quality food. "The meal I had was fine," says Connie Milward, a single woman who works for an electronic communications firm in New York City. Bakers Square is most popular in the East North Central region, and with people who spend $26 to $50 on meals out each week. Young parents are more likely to visit Bakers Square than any other demographic group.

BENIHANA **INDEX: 1.47**

Miami-based Benihana has thrived since 1964 on selling "the sizzle" as aggressively as the steak—or shrimp, lobster, chicken or sushi. "It's fun to watch them prepare the food here, and the food is always fresh," says New Yorker Ken Filmanski. Senior Marketing Vice President Glen Simoes says that is exactly the marketing point Benihana wants to make. "We sell two things here: showmanship and freshness," he says. "You can get a cheaper meal, but not a healthier one or one that gives you more entertainment."

Sure enough, customers cite atmosphere as Benihana's No. 1 attribute, though food quality and service follow close behind at second and third. Value trails the list. "Benihana customers know it's going to cost them a bit more," Simoes says. "They don't care."

continued on page 52

An entertaining atmosphere puts the sizzle in Benihana's sales.

GEOGRAPHICAL BREAKDOWN

Choice in Chains breaks the continental United States into nine regions.

Pacific: Washington, Oregon, California

Mountain: Idaho, Montana, Wyoming, Colorado, Utah, Arizona, New Mexico, Nevada

West North Central: North and South Dakota, Minnesota, Iowa, Nebraska, Kansas, Missouri

West South Central: Texas, Oklahoma, Arkansas, Louisiana

East North Central: Wisconsin, Illinois, Indiana, Michigan, Ohio

East South Central: Kentucky, Tennessee, Mississippi, Alabama

South Atlantic: Delaware, Virginia, West Virginia, Maryland, North and South Carolina, Georgia, Florida

Mid Atlantic: New York, New Jersey, Pennsylvania

New England: Vermont, New Hampshire, Maine, Massachusetts, Rhode Island, Connecticut

DEMOGRAPHIC BREAKDOWN

Young Single: One household member, 35 years or younger.

Young couple: Household head is 45 or younger. Couple can be married or unmarried. No children.

Young parent: Household head is 45 or younger; child is under 6.

Middle single: One household member aged 35 to 65.

Working older couple: Household head is 45 or older and is working. Couple can be married or unmarried. No children living in the house.

Middle parent: Household head is under 45. Youngest child is 6 or older.

Older single: One household member, older than 65.

Retired older couple: Household head is 45 or older and retired. Couple can be married or unmarried. No children living in the house.

Older parent: Household head is 45 or older. At least one child lives in the house.

R&I CHOICE IN CHAINS

Patrons cite value and quality of food as top attributes for nearly all of the winning chains.

continued from page 47

The chain does best in the Pacific region and among patrons who spend between $26 and $50 a week on dining out. Most of them are older parents; more than 40% of Benihana's customers are parents of all ages.

GRANDY'S **INDEX: 1.18**

Grandy's main market is compact—half its diners live in the West South Central area—but within that area the chain has 71% name recognition. Grandy's Marketing Vice President Robert E. Lee says that kind of consumer awareness comes from attentiveness to food quality and service. "We serve a full homestyle meal at Grandy's, not just fast food. Our food is freshly prepared: We even have an in-house bakery where we bake our own dinner rolls and cinnamon buns from scratch."

Lewisville, Texas-based Grandy's also serves a full sit-down breakfast menu with such items as sandwiches of chicken fillet and country-fried steak. The menu for the other dayparts includes steak, both fried and roasted chicken in some areas, and a salad bar.

Food quality is Grandy's best attribute, according to customers like Donna Stiehl of San Antonio, Texas. "I love those cinnamon buns," she says. The chain is most popular with older parents and those who spend $26 to $50 a week on meals away from home.

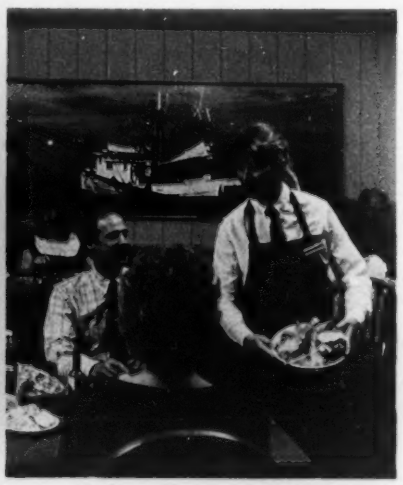
PIZZA HUT **INDEX: 1.24**

Pizza Hut customers are more impressed by the quality of its food than by other attributes. "The pizza's pretty good," New Yorker Carol Pearce says. "I always order the thick; it's a nice change." But Roger Rydell, a company spokesman for Wichita, Kan.-based Pizza Hut, says service improvements and innovations will be the key point of difference in 1989. "This year we rounded out our product line by adding a medium-crust, hand-tossed pie to our Personal Pan and thin-crust pies. Now we're aiming to provide 'legendary' service."

The company is moving more heavily than ever into restaurant-based delivery and its Downtown Express units are bringing Pizza Hut takeout to heavily trafficked office and shopping sites.

Pizza Hut customers are most often young parents who spend $10 to $25 a week on eating out. They commonly live in the East Central or South Atlantic regions and, on average, eat seven to 11 meals away from home per week.

Grandy's (l.) and Red Lobster both get high marks for food quality and service: Grandy's has "Granny" hostesses who offer free drink refills.



STEAK & ALE **INDEX: 1.46**

After extensive experiments with a diversified menu of fish, chicken and salad, Dallas-based Steak & Ale returned to its traditional red meat in 1987 and began advertising as "The Legend in Steak" in 1988. Judging from the satisfaction index the chain earned, customers think the switch back to beef was a good idea.

But they like the service at Steak & Ale as much as the food, and they like the ambiance even more: Atmosphere was voted the chain's best attribute. "I bring my family here because we all get a break," says Sheryl Cutler, working mother of two. "It's informal but quiet, so you're not rushed. The kids can get burgers, and I can have steak like a grown-up."

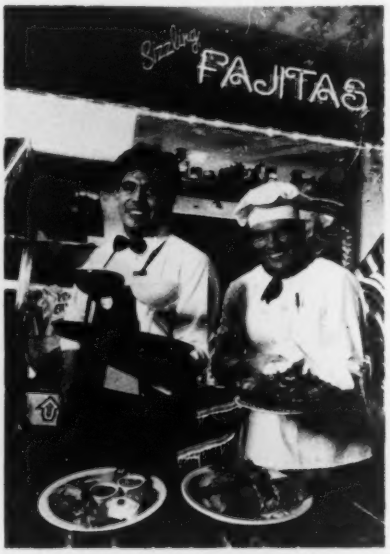
The typical Steak & Ale diner is an older parent from a household that consumes 12 to 19 meals away from home each week. The chain does best in the South Atlantic region. Three out of four customers say they are giving more thought to nutrition now than they did last year. The average customer household spends $25 to $50 a week on dining out.

RED LOBSTER **INDEX: 1.41**

The Choice in Chains survey shows that patrons think Red Lobster's food quality is its best attribute, but they give the Orlando, Fla.-based chain high marks for service and cleanliness, too. "Everything looks fresh, and it's all very nicely presented," says Chicagoan Susan MacGregor.

And serving that fish properly, the way the diner ordered it, is just as important as its obvious freshness, says company spokesman Dick Monroe. "If a customer wants his order dry-broiled, we tell him it's no problem. If the kids scatter cracker crumbs around the table, we don't make the parents feel like they're causing trouble." Though most entrees are priced around $7.95, "We give $50-a-plate service," Monroe says.

Red Lobster's popularity is greatest in the East North Central section of the country, but the Orlando, Fla.-based chain does well in the Middle and South Atlantic regions, too. The average customer is an older parent who spends $26 to $50 a week on meals away from home. Two-thirds of all Red Lobster customers say they are more concerned with nutrition now than a year ago.



This year El Torito plans to add more family-sized entrees to its menu.

EL TORITO **INDEX: 1.32**

"The key to El Torito's popularity is quality, especially the quality of our service," says President and CEO Michael Casey. Bus people still fill patrons' water glasses, and new menu items are explained to servers so they can do the same for customers. That kind of service is a necessary point of difference, Casey says, "now that you can get Mexican food at a host of non-Mexican restaurants."

But like most customers, Laura Bauer of White Plains, N.Y., says the food is the best thing about El Torito. "It's much more interesting than the usual taco-tortilla-burrito plates," she says. "You don't just go and order the same old thing." Casey says El Torito wants to keep that menu sophistication: Last year, the Irvine, Calif.-based chain added such Southwestern items as grilled soft tacos filled with chicken, steak or carnitas, and a *gordita* and blue-corn enchilada combination.

The average customer lives in the Pacific region and spends $10 to $25 a week on eating out. Price points are kept low; every dinner entree except the steak and shrimp combination costs less than $9. In 1989, Casey says, the chain will target child-rearing baby boomers with items such as appetizer platters that can serve two to five people.

continued on page 56

WINNING ATTRIBUTES

These scores represent the percentage of Choice in Chains survey respondents who said the chain performed better than average in the following categories:

	FAST FOOD		FULL SERVICE	
FOOD QUALITY	TCBY	63.2%	Benihana	63.3%
	T.J. Cinnamons	59.3	Stuart Anderson's	63.1
	Grandy's	50.8	Bakers Square	62.4
	Baskin-Robbins	49.2	Fuddruckers	60.5
	Wendy's	46.1	Red Lobster	58.8
SERVICE	Wendy's	45.0%	Benihana	62.8%
	McDonald's	44.0	Bob Evans	54.9
	Domino's	41.8	Stuart Anderson's	52.8
	TCBY	40.9	Shoney's	52.3
	Grandy's	40.8	Bennigan's	50.5
CLEANLINESS	TCBY	51.3%	Bob Evans	54.4%
	Wendy's	48.7	Benihana	53.8
	Baskin-Robbins	44.4	Stuart Anderson's	52.8
	Rax	43.3	Red Lobster	50.8
	T.J. Cinnamons	42.5	Shoney's	49.9
GOOD VALUE	White Castle	53.2%	Western Sizzlin'	60.1%
	Skipper's	51.5	Shoney's	57.7
	Wendy's	49.4	Morrison	56.3
	McDonald's	48.9	Bob Evans	54.9
	Grandy's	48.3	Ponderosa	53.3
ATMOSPHERE	TCBY	29.5%	Benihana	66.3%
	Rax	29.2	Stuart Anderson's	63.1
	Grandy's	27.5	T.G.I. Friday's	61.8
	Wendy's	27.4	Bennigan's	57.5
	Bojangles	24.8	Steak & Ale	57.0

CUSTOMER PATRONAGE AND AWARENESS

While customers reward good service and food with higher satisfaction indexes, they are more likely to visit chains with a greater number of units and bigger advertising budgets.

	FAST FOOD		FULL SERVICE	
AWARENESS	McDonald's	96.2%	Pizza Hut	91.4%
	Burger King	95.3	Howard Johnson's	83.7
	Wendy's	95.0	Red Lobster	83.1
	Kentucky Fried Chicken	94.2	Denny's	82.0
	Arby's	90.1	Intl. House of Pancakes	81.8
PATRONAGE	McDonald's	85.9%	Pizza Hut	65.0%
	Burger King	79.6	Denny's	51.4
	Wendy's	76.1	Red Lobster	50.0
	Kentucky Fried Chicken	72.6	Intl. House of Pancakes	44.2
	Arby's	60.3	Long John Silver's	42.0

R&I CHOICE IN CHAINS

BURGERS

This year marks the end of the longstanding Choice in Chains rivalry between Burger King and Wendy's, for Corpus Christi, Texas-based Whataburger has edged Burger King out of the No. 2 position. Burger King's new position also places the chain one notch above McDonald's, its biggest competitor for customers. Apart from overall satisfaction levels, patrons tend to view all burger chains alike: All are given high marks for good value, and most are praised for good service. Most burger patrons are young, middle and older parents.

Service rates high at Jack In The Box.

WHATABURGER
Headquarters: Corpus Christi, Texas
1987 F&B sales: $265MM**
Units (1/1/88): 392
Satisfaction index: 1.15
Where it does best ...
Region: West South Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Most respondents who visit Whataburger report they are eating out more frequently this year than last year. The chain also appeals to young and older working couples. Whataburger scored high on food quality and service.

BURGER KING
Headquarters: Miami
1987 F&B sales: $5,000MM**
Units (1/1/88): 5,179
Satisfaction index: 1.08
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Nearly two-thirds of Burger King patrons say they are more concerned about nutrition than they were last year. Two-thirds had ordered food for take-out during the past month. The chain's service gets high marks, too.

McDONALD'S
Headquarters: Oak Brook, Ill.
1987 F&B sales: $14,330.4MM
Units (1/1/88): 10,000
Satisfaction index: 1.01
Where it does best ...
Region: East North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: McDonald's wins top prize for patron awareness: 96.2% of those surveyed have heard of McDonald's: 85% have eaten there in the past month. The chain also is popular in the Pacific and Middle Atlantic regions.

HARDEE'S
Headquarters: Rocky Mount, N.C.
1987 F&B sales: $2,418.9MM*
Units (1/1/88): 2,959
Satisfaction index: 1.01
Where it does best ...
Region: South Atlantic
Life Stage: Older parent
Meal Spending: $10 to $25 a week
Best attribute: Good value

Highlights: Almost half of Hardee's patrons say they often try new restaurants. Most heads of households who patronize the chain are between 50 and 64 years old. Hardee's fares well with households earning under $12,500.

Older parents like Burger King.

continued on page 61

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

SONIC DRIVE-INS

Headquarters: Oklahoma City
1987 F&B sales: $315MM
Units (1/1/88): 953
Satisfaction index: 1.01
Where it does best ...
Region: West South Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Most respondents who patronize Sonic are under 30 years old. Sonic customers eat between seven and 11 meals away from home each week. The chain also is popular in the Mountain and West North Central regions.

CARL'S JR.

Headquarters: Anaheim, Calif.
1987 F&B sales: $343.6MM
Units (1/1/88): 444
Satisfaction index: .96
Where it does best ...
Region: Pacific
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Carl's Jr. also scores high on food quality and service. About half the respondents who visit Carl's Jr. say they are eating out more often this year than last year. The chain scores well with young and middle parents.

WHITE CASTLE

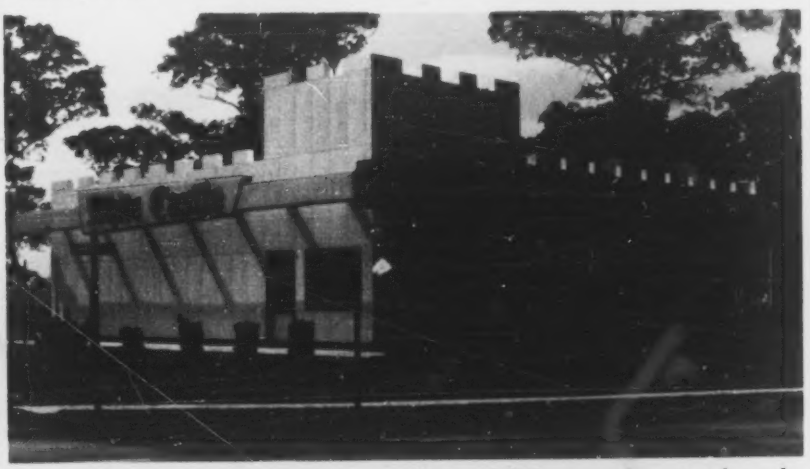
Headquarters: Columbus, Ohio
1987 F&B sales: $282.6MM
Units (1/1/88): 236
Satisfaction index: .88
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Good value far and away is White Castle's best quality, patrons say. Those who say they visit the chain eat between 12 and 19 meals out each week and spend between $26 and $50 on meals out each week.

JACK IN THE BOX

Headquarters: San Diego, Calif.
1987 F&B sales: $655.1MM
Units (1/1/88): 897
Satisfaction index: .61
Where it does best ...
Region: Pacific
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Service

Highlights: Respondents who are frequent patrons of Jack In The Box spend $26 to $50 per week on meals out. Customers rate the chain high for cleanliness. Half the patrons live in the Mountain and Pacific regions.



White Castle customers spend between $26 and $50 on meals out each week.

FOR HERE OR TO GO?

Burger-chain customers are more likely than customers in any other segment to have ordered takeout during the past month.

Chain	% who ordered takeout during the past month
Carl's Jr.	68.8%
Jack In The Box	67.7
White Castle	67.2
Whataburger	65.2
Sonic Drive-Ins	62.1
Burger King	61.8
Wendy's	61.5
McDonald's	60.3
Hardee's	59.5
Total Sample	**57.2**

R&I CHOICE IN CHAINS

SANDWICHES

If Choice in Chains had a category for Best Alternative, sandwiches would win. Singles and older parents, as well as people with bigger eating-out budgets, tend to visit sandwich chains more often than they do hamburger restaurants. Sandwich chains offer the good value that customers demand, plus a few extras such as top-notch food and a pleasant atmosphere. Although some sandwich chains tout themselves as the healthful alternative, sandwich customers are no more concerned with nutrition than their burger-eating peers.

A&W

Headquarters: Dearborn, Mich.
1987 F&B sales: $154MM
Units (1/1/88): 531
Satisfaction index: 1.10
Where it does best ...
Region: East North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: A&W also scores high in service and cleanliness. The atmosphere of the restaurants appeals most to older singles and older parents. Most A&W customers eat between seven and 11 meals away from home each week.

ARBY'S

Headquarters: Atlanta
1987 F&B sales: $980MM
Units (1/1/88): 1,881
Satisfaction index: 1.10
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Arby's also does well with residents in the South—the chain is based in Atlanta—and with households earning between $12,500 and $19,900 a year. Patrons gave the roast-beef chain high marks for cleanliness.

ROY ROGERS

Headquarters: Washington, D.C.
1987 F&B sales: $212MM*
Units (1/1/88): 556
Satisfaction index: 1.08
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Half the survey respondents who said they visit Roy Rogers live in the Northeast region: 40% of the household heads who visit Roy Rogers are between 50 and 65 years old. Patrons also praised the chain for cleanliness.

SUBWAY

Headquarters: Milford, Conn.
1987 F&B sales: $272MM**
Units (1/1/88): 1,815
Satisfaction index: 1.06
Where it does best ...
Region: South Atlantic
Life stage: Middle parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: One-third of the respondents who visit Subway are married and have children less than 19 years old. Subway customers eat between four and seven meals out per week, but tend to spend more money on meals.

Most Arby's patrons live in the East North Central and Southern regions.

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

SWEETS

Customers have placed treats in a class by themselves: All but one of the sweets chains earned highest marks for food quality, not for service or good value, the signature of most quick-service chains. Premium-priced restaurants, such as T.J. Cinnamons, attract patrons who spend more money than the average customer on meals away from home. Survey respondents also prove that the diet dichotomy lives on: At least half the patrons from each chain say they are more concerned about nutrition than they were last year.

BASKIN-ROBBINS

Headquarters: Glendale, Calif.
1987 F&B sales: $624.7MM
Units (1/1/88): 3,372
Satisfaction index: 1.48
Where it does best ...
Region: South Atlantic
Life stage: Young parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Baskin-Robbins patrons give the chain high marks for cleanliness. The ice cream chain does well in the Pacific region. Most heads of households who patronize Baskin-Robbins are between 30 and 39 years old.

T.J. CINNAMONS

Headquarters: Kansas City, Mo.
1987 F&B sales: $35MM
Units (1/1/88): 201
Satisfaction index: 1.47
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Diet dichotomy strikes again: About half the survey respondents who patronize T.J. Cinnamons are more concerned with nutrition now. One-third of the household heads patronizing the chain are between 30 and 39 years old.

CARVEL

Headquarters: Yonkers, N.Y.
1987 F&B sales: $243.8MM
Units (1/1/88): 750
Satisfaction index: 1.28
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: Carvel also wins accolades for good value. Households with annual incomes between $20,000 and $29,900 are frequent patrons of the chain, as are households with annual incomes more than $45,000.

DAIRY QUEEN

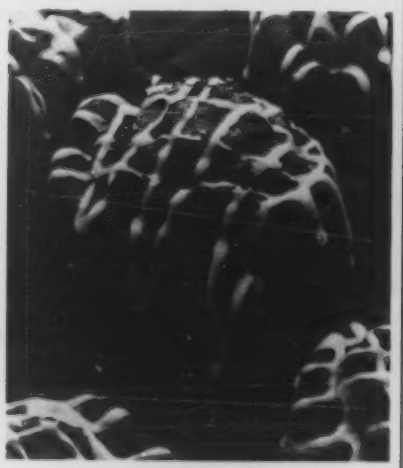
Headquarters: Minneapolis
1987 F&B sales: $1,900MM
Units (1/1/88): 5,005
Satisfaction index: 1.18
Where it does best ...
Region: East North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Dairy Queen patrons often belong to households earning less than $12,500 a year. The chain definitely attracts a younger set: One-third are married with a child less than 19 years old.

DUNKIN' DONUTS

Headquarters: Randolph, Mass.
1987 F&B sales: $726MM
Units (1/1/88): 166
Satisfaction index: 1.12
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: Although Dunkin' Donuts is based in the East, the chain is most popular in the South. Young and middle parents are frequent Dunkin' Donuts customers, as are people who eat 12 to 19 meals out per week.



T.J. Cinnamons tempts big spenders.

R&I CHOICE IN CHAINS

FAMILY DINING

Family restaurants, or coffee shops, are meeting dining-out needs better than restaurants in most other segments, according to survey respondents. All but two of the cafeterias and coffee shops listed received a satisfaction index of average (1.00) or better, and respondents cited good value as best attribute for 10 of the 15 chains highlighted here. Four-fifths of the chains appeal most to older couples and parents, and almost half do best with households that spend between $26 and $50 each week on meals away from home.

MORRISON'S CAFETERIAS

Headquarters: Mobile, Ala.
1987 F&B sales: $310MM
Units (1/1/88): 162
Satisfaction index: 1.39
Where it does best ...
Region: South Atlantic
Life stage: Older retired couple
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Morrison's also attracts older parents and customers from households that earn less than $12,500 a year. The cafeteria chain earns high marks for quality of food. Patrons eat four to six meals per week away from home.

SHONEY'S

Headquarters: Nashville, Tenn.
1987 F&B sales: $718.6MM
Units (1/1/88): 614
Satisfaction index: 1.37
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Shoney's fares well with older couples: More than half the household heads between 50 and 64 years old assign Shoney's highest marks for quality of food. About 25% of Shoney's patrons earn between $30,000 and $44,000.

FURR'S CAFETERIAS

Headquarters: Lubbock, Texas
1987 F&B sales: $256.2MM
Units (1/1/88): 152
Satisfaction index: 1.37
Where it does best ...
Region: West South Central
Life stage: Older working couple
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Furr's customers tend to be "heavy users," eating out between 12 and 19 times per week. More than half the respondents who patronize Furr's say they order food for takeout more than once a month.

BOB EVANS

Headquarters: Columbus, Ohio
1987 F&B sales: $220MM
Units (1/1/88): 196
Satisfaction index: 1.32
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: More than half the respondents who eat at Bob Evans live in the North Central region. Patrons give the chain high marks for service. Respondents from the $45,000 to $59,900 income bracket also patronize Bob Evans.

PERKINS

Headquarters: Nashville, Tenn.
1987 F&B sales: $343.7MM
Units (1/1/88): 334
Satisfaction index: 1.27
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: Most of the Perkins patrons say they eat four to six meals away from home each week. Customers give the chain high marks for cleanliness. Perkins does well with households earning between $20,000 and $29,900.

Older people praise Shoney's food.

*R&I estimate **company estimate

For information circle 22 ⟶

SWENSEN'S

Headquarters: Phoenix, Ariz.
1987 F&B sales: $84.4MM*
Units (1/1/88): 356*
Satisfaction index: 1.25
Where it does best ...
Region: Pacific
Life stage: Middle parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Swensen's enjoys almost as much popularity with young parents as it does with middle parents: Household heads who dine at Swensen's are between 30 and 39 years old. Customers also praise the chain for cleanliness.

PICCADILLY CAFETERIAS

Headquarters: Baton Rouge, La.
1987 F&B sales: $217.5MM
Units (1/1/88): 116
Satisfaction index: 1.25
Where it does best ...
Region: South Atlantic
Life stage: Young couple
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: Older parents as well as young couples are big Piccadilly fans. The chain also attracts households that spend between $26 and $50 on meals out. Two-thirds of Piccadilly patrons purchased food for takeout during the past month.

FRIENDLY ICE CREAM

Headquarters: Wilbraham, Mass.
1987 F&B sales: $572.4MM
Units (1/1/88): 840
Satisfaction index: 1.17
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: The chain prefers to be placed in the family-dining segment, not in the sweets segment. Friendly scored high on food quality. Most respondents who visit Friendly say the household head is between 50 and 64 years old.

COUNTRY KITCHEN

Headquarters: Minneapolis
1987 F&B sales: $169.2MM
Units (1/1/88): 252
Satisfaction index: 1.16
Where it does best ...
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Respondents from households earning between $20,000 and $29,900 are frequent Country Kitchen visitors. The Carlson Cos.-owned chain earned a high score for service. Older couples also are Counrty Kitchen fans.

POFOLKS

Headquarters: Nashville, Tenn.
1987 F&B sales: $180MM
Units (1/1/88): 164
Satisfaction index: 1.13
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Despite financial woes (the company is operating in Chapter 11), PoFolks is holding its own on the quality front: Patrons praise the chain for food quality and service. PoFolks scores well with middle singles.

Swensen's appeals to middle parents.

continued on page 74

FAMILY-DINING CUSTOMERS EATING OUT MORE FREQUENTLY

On the whole, more family-dining patrons than patrons in other segments say they are eating out more frequently this year.

Chain	% of patrons who eat out more
Country Kitchen	40.7
Swensen's	40.1
IHOP	38.5
Shoney's	38.2
Big Boy	38.1
Bob Evans	37.3
Bakers Square	36.9
Friendly	36.8
Waffle House	36.6
Howard Johnson's	36.3
Denny's	36.1
Perkins	35.0
PoFolks	34.5
Furr's	32.7
Morrison's	32.5
Piccadilly	29.1
Total sample	**32.5**

R&I CHOICE IN CHAINS

HEALTHY TENDENCIES

More than two-thirds of the customers at each family-dining chain are more concerned about nutrition this year.

Chain	% respondents more concerned about nutrition
Swensen's	74.0%
Perkins	71.7
Bakers Square	71.1
Waffle House	70.3
Furr's	70.0
IHOP	69.2
Big Boy	68.9
Friendly	68.4
Denny's	68.3
Shoney's	68.1
Howard Johnson's	68.0
PoFolks	67.8
Piccadilly	67.7
Bob Evans	67.4
Morrison's	66.6
Country Kitchen	66.4
Total sample	**67.5**

continued from page 71

BIG BOY

Headquarters: Washington, D.C.
1987 F&B sales: $1,096.8MM*
Units (1/1/88): 914
Satisfaction index: 1.10
Where it does best ...
Region: East North Central
Life stage: Young parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Heads of households who visit Big Boy eat between 12 and 19 meals out each week. Fewer than one-fourth of the household heads who visit Marriott-owned Big Boy are between 50 and 64 years old.

WAFFLE HOUSE

Headquarters: Norcross, Ga.
1987 F&B sales: $230.6MM*
Units (1/1/88): 610*
Satisfaction index: 1.05
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

WAFFLE HOUSE

Highlights: Waffle House maintains a low business profile, but obviously pays attention to customers: Patrons gave the chain high marks for service. Young couples and middle singles also comprise Waffle House's customer base.

INTL. HOUSE OF PANCAKES

Headquarters: N. Hollywood, Calif.
1987 F&B sales: $297.5MM
Units (1/1/88): 454
Satisfaction index: 1.00
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

INTERNATIONAL HOUSE of PANCAKES RESTAURANT

Highlights: IHOP also does well in the Pacific region, its home territory. Patrons have rewarded the chain's efforts to add more entree items and update pancake offerings by giving IHOP high marks for food quality.

DENNY'S

Headquarters: La Mirada, Calif.
1987 F&B sales: $1,251MM
Units (1/1/88): 1,221
Satisfaction index: .99
Where it does best ...
Region: Pacific
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Denny's

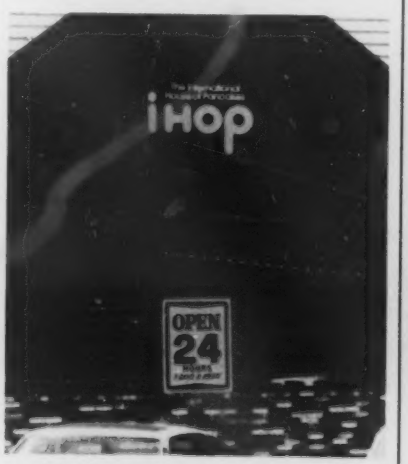
Highlights: Although patrons gave Denny's an overall "average" rating, the chain scored in the top five with customer awareness and patronage. Count on Denny's President Sam Maw to revitalize the chain with several programs.

HOWARD JOHNSON'S

Headquarters: S. Weymouth, Mass.
1987 F&B sales: $102MM**
Units (1/1/88): 141
Satisfaction index: .81
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Cleanliness

HOWARD JOHNSON

Highlights: Like Denny's, Howard Johnson's ranks in the top five in customer awareness. Franchise Associates Inc., the management and marketing company that owns and franchises the chain, plans to upgrade and expand.



IHOP's food gets high marks.

continued on page 80

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

CASUAL DINING

The milieu makes the meal; customers say five of the eight casual dining chains stand out for their settings. On the other hand, price value scores are all over the board: Ground Round customers make it their first consideration, but Benihana won the segment despite the second lowest price value rating of the eight. This proves once more that patrons are looking for an experience. And they look for it often: At all these chains, except Bennigan's, the typical customer household eats out 12 to 19 times a week.

Friday's patrons like the atmosphere.

STUART ANDERSON'S
Headquarters: Menlo Park, Calif.
1987 F&B sales: $170MM*
Units (1/1/88): 85
Satisfaction index: 1.47
Where it does best ...
Region: Pacific
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Atmosphere

Highlights: Stuart Anderson's is popular with parents of all ages, particularly those with children under 19. Customers who have eaten at Stuart Anderson's in the past year rate food quality almost as highly as the ambiance.

BENNIGAN'S
Headquarters: Dallas
1987 F&B sales: $449MM
Units (1/1/88): 212
Satisfaction index: 1.43
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $26 to $51 per week
Best attribute: Atmosphere

Highlights: Bennigan's customers earn a lot and eat out a lot: two-thirds have annual household incomes of $30,000 and up, and the same proportion eat more than seven meals a week away from home.

T.G.I. FRIDAY'S
Headquarters: Dallas
1987 F&B sales: $349.2MM
Units (1/1/88): 128
Satisfaction index: 1.39
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Atmosphere

Highlights: T.G.I. Friday's, one of the original singles' chains, now draws a crowd that is 40% parents. Households are usually headed by someone 30 to 39 years old. Customers like Friday's food as well as the atmosphere.

CHILI'S
Headquarters: Dallas
1987 F&B sales: $253MM**
Units (1/1/88): 146
Satisfaction index: 1.38
Where it does best ...
Region: West South Central
Life stage: Young parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: About a quarter of Chili's patrons are two-income couples. That partly explains why four out of 10 say they are eating out more often now than last year, while seven in 10 ordered takeout food last month.

Bennigan's has affluent customers.

continued on page 85

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

continued from page 80

Patrons like Fuddruckers' food.

FUDDRUCKERS

Headquarters: San Antonio, Texas
1987 F&B sales: $130MM
Units (1/1/88): 113
Satisfaction index: 1.31
Where it does best ...
Region: South Atlantic
Life stage: Young parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Half of all Fuddruckers customers have children, and one-third have children under 19. The chain does best in the South and the Pacific regions. Two-thirds live in households with yearly incomes greater than $30,000.

HOULIHAN'S

Headquarters: Irvine, Calif.
1987 F&B sales: $148MM
Units (1/1/88): 54
Satisfaction index: 1.28
Where it does best ...
Region: East North Central
Life stage: Older couple
Meal spending: $26 to $50 per week
Best attribute: Atmosphere

Highlights: Bridging the age gap, Houlihan's draws almost a third of its customers from older households, headed by someone over 50; one in four has an annual household income of more than $60,000.

THE GROUND ROUND

Headquarters: S. Weymouth, Mass.
1987 F&B sales: $181.5MM
Units (1/1/88): 191
Satisfaction index: 1.14
Where it does best ...
Region: Middle Atlantic
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: The average Ground Round customer comes from a household that earns $20,000 to $29,900 a year and eats 12 to 19 meals away from home a week. Four in 10 are parents; three in 10 have a child under 19.

The average Ground Round customer dines out 12 to 19 times a week.

ADVENTUROUS TYPES

About half the patrons from each casual dining chain eat out to try new places.

Chain	% who eat out to try new places
Houlihan's	55.9%
T.G.I. Friday's	51.2
Ground Round	50.8
Chili's	50.0
Fuddruckers	49.5

CUSTOMERS LIKE TIPPING

Fewer than one-fifth of the casual-dining patrons surveyed prefer an automatic service charge.

Chain	% of patrons in favor of service charge
Benihana	18.5%
Houlihan's	18.1
Stuart Anderson's	17.0
Ground Round	16.6
T.G.I. Friday's	16.2
Bennigan's	16.0
Chili's	15.4
Fuddruckers	13.3
Total sample	**16.7**

R&I CHOICE IN CHAINS

CHICKEN

This year's Choice in Chains ranking reinstates Grandy's, the chain with the lowest awareness factor, as the winner in customer satisfaction; Kentucky Fried Chicken, the chain everyone knows about, comes in second again, and '88 winner Chick-fil-A drops to third in the ranking. But the demographics of the segment itself seem unchanged from last year, or any of the years before: a mixed bag of parents and singles, middle and low incomes, young and old, all of whom like chicken as the fast-food alternative.

KENTUCKY FRIED CHICKEN

Headquarters: Louisville, Ky.
1987 F&B sales: $4,100MM
Units (1/1/88): 7,522
Satisfaction index: 1.16
Where it does best ...
Region: West North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Quality of food was a close second for best attribute at KFC. One in three customers has an annual household income of less than $20,000; two in three say they are more concerned with nutrition this year than last.

CHICK-FIL-A

Headquarters: Atlanta
1987 F&B sales: $202.7MM
Units (1/1/88): 364
Satisfaction index: 1.15
Where it does best ...
Region: South Atlantic
Life stage: Young couple
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Almost three-quarters of Chick-fil-A's total customer base lives in the South. The chain has its greatest success with households headed by someone under 30 and with a yearly income between $30,000 and $44,900.

POPEYES FAMOUS FRIED CHICKEN

Headquarters: Jefferson, La.
1987 F&B sales: $482.6MM
Units (1/1/88): 710
Satisfaction index: 1.06
Where it does best ...
Region: South Atlantic
Life stage: Young couples
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: Popeyes is almost as popular with older parents as with young couples. Four out of 10 Popeyes patrons are eating more meals away from home than last year: Two-thirds have ordered takeout within the last month.

BOJANGLES'

Headquarters: Greenville, S.C.
1987 F&B sales: $55.6MM
Units (1/1/88): 71
Satisfaction index: 1.04
Where it does best ...
Region: South Atlantic
Life stage: Middle parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: The average Bojangles' patron likes the quality of the food almost as much as its price, lives in a household of two with an annual income of less than $20,000, and eats out seven to 11 times a week.

CHURCH'S CHICKEN

Headquarters: San Antonio, Texas
1987 F&B sales: $533.9MM
Units (1/1/88): 1,422
Satisfaction index: 0.84
Where it does best ...
Region: West South Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Church's draws a budget-conscious diner: One-fifth of its customers earn less than $12,500 a year, and half are parents. Two in three Church's patrons say they think about nutrition more this year.

Popeyes' diners praise its quality.

continued on page 92

R&I CHOICE IN CHAINS

SEAFOOD

The top three seafood chains draw 40% of their customers from households headed by someone 50 or older. These diners like fish as a healthful menu choice—68.5% say they care more about nutrition than they used to—and as a good value. Despite their attention to price, typical patrons at the top three seafood chains have a household income of $30,000 to $44,900 a year. Consumer awareness also varies widely. Winner Red Lobster is familiar to 83.1% of the public, but only 13.4% knows Skipper's.

Long John Silver's does well inland.

CAPTAIN D'S

Headquarters: Nashville, Tenn.
1987 F&B sales: $342.5MM
Units (1/1/88): 578
Satisfaction index: 1.15
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: More than 40% of Captain D's diners come from households headed by someone 50 or older, and about one-third live in two-person households. Two-thirds are more concerned with nutrition now than last year.

LONG JOHN SILVER'S

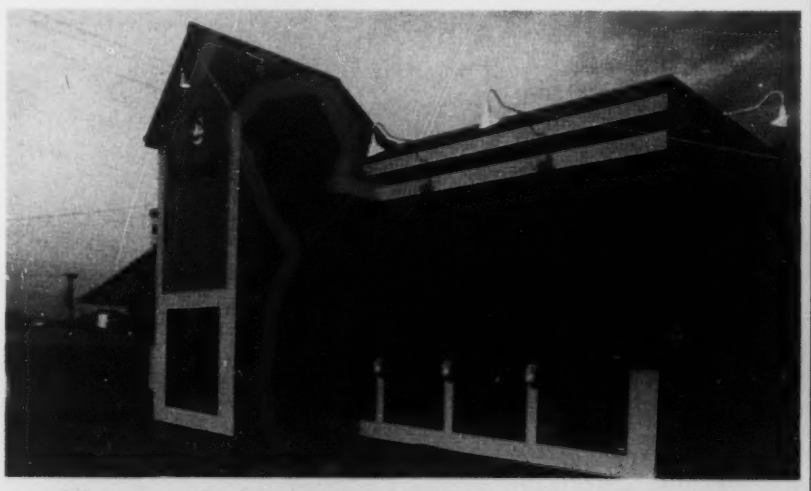
Headquarters: Lexington, Ky.
1987 F&B sales: $746.9MM
Units (1/1/88): 1,451
Satisfaction index: 1.15
Where it does best ...
Region: South Atlantic
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: In addition to the South Atlantic, the East North Central region is a big market for Long John Silver's. Scores are almost as high for value as for food quality. The chain does well among older working and retired couples.

SKIPPER'S

Headquarters: Bellevue, Wash.
1987 F&B sales: $95MM
Units (1/1/88): 180
Satisfaction index: 0.87
Where it does best ...
Region: Pacific
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Skipper's does best with households headed by someone 30 to 39 years old and with customers who dine out four to six times a week. Six in 10 Skipper's customers bought food for takeout last month.



Like most seafood chains, Captain D's appeals to older customers.

R&I CHOICE IN CHAINS

STEAK

Steakhouses traditionally do best among older diners of some means. But some on this year's list are successfully drawing young parents who want a varied, moderately priced meal served in an informal setting. Other than the return of Steak & Ale, the only change from last year's roster is Mr. Steak's rise to third place. Overall, these diners want value, but not at the cost of quality. And they think about health: 69.4% of steakhouse patrons say they consider a food's nutrition more often now than they did a year ago.

WESTERN SIZZLIN'

Headquarters: Augusta, Ga.
1987 F&B sales: $466.2MM
Units (1/1/88): 585
Satisfaction index: 1.40
Where it does best . . .
Region: East South Central
Life stage: Young couple
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Parents of all age groups make up more than 40% of Western Sizzlin's patrons. About 75% have children in their teens or younger. Average annual household income for customers is $30,000 to $44,900.

MR. STEAK

Headquarters: Littleton, Colo.
1987 F&B sales: $95MM
Units (1/1/88): 146
Satisfaction index: 1.37
Where it does best . . .
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Upper age brackets are important to Mr. Steak: Older working and older retired customers make up about 25% of the customer base. The chain draws both frequent and occasional diners-out.

GOLDEN CORRAL

Headquarters: Raleigh, N.C.
1987 F&B sales: $397MM
Units (1/1/88): 519
Satisfaction index: 1.36
Where it does best . . .
Region: South Atlantic
Life stage: Older working couple
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Even though Golden Corral is popular with young parents, most customer households are headed by someone 50 to 64 years old. About 70% of its diners care more about nutrition today than last year.

SIZZLER

Headquarters: Los Angeles
1987 F&B sales: $754.3MM**
Units (1/1/88): 574
Satisfaction index: 1.32
Where it does best . . .
Region: Pacific
Life stage: Older parent
Meal spending: $26 to $50 per week
Best attribute: Quality of food

Highlights: Patrons like Sizzler's value almost as much as its food. More than four in 10 customers are parents, and more than 30% have children under 19; singles make up about 22% of the base. Sizzler is strong in the South Atlantic region.

BONANZA

Headquarters: Dallas
1987 F&B sales: $529.5MM
Units (1/1/88): 605
Satisfaction index: 1.17
Where it does best . . .
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Bonanza is equally attractive to diners from low- and middle-income groups. Customer households are most likely to be headed by someone 50 to 64 years old and to dine out seven to 11 times weekly.

PONDEROSA

Headquarters: Dayton, Ohio
1987 F&B sales: $730.4MM
Units (1/1/88): 693
Satisfaction index: 1.10
Where it does best . . .
Region: East North Central
Life stage: Older parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Four out of 10 Ponderosa customers are 50 years old or more. About 38% say they are eating out more this year: 16% are dining out less. The chain is most popular in households making less than $12,500 a year.

continued on page 102

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

MEXICAN

The chains listed in this category (new to this year's Choice in Chains survey) range from quick- to full-service, limited-menu to broad. But they share a predominantly young customer base: One quarter of their patrons come from households headed by someone under 30. In each instance, customers ranked food quality the No. 2 point of difference—and in the case of El Torito, No. 1. That fact indicates that most customers who opt for Mexican food are consciously seeking a special taste, not merely convenience.

Taco Bell is strong in the Midwest.

CHI-CHI'S
Headquarters: Louisville, Ky.
1987 F&B sales: $270MM
Units (1/1/88): 201
Satisfaction index: 1.13
Where it does best ...
Region: East North Central
Life stage: Young couple
Meal spending: $26 to $50 per week
Best attribute: Atmosphere

Highlights: Two-thirds of Chi-Chi's patrons live in households earning more than $30,000 annually, and almost 60% of them are from a one- or two-person home. Two out of three have ordered takeout in the last month.

TACO BELL
Headquarters: Irvine, Calif.
1987 F&B sales: $1,521.6MM*
Units (1/1/88): 2,689
Satisfaction index: 1.07
Where it does best ...
Region: East North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: More than half of Taco Bell's diners come from households of one or two; about half of those households spend $25 or less per week on eating out. Two-thirds of its patrons bought takeout last month.

DEL TACO
Headquarters: Dallas
1987 F&B sales: $110MM
Units (1/1/88): 200
Satisfaction index: 0.99
Where it does best ...
Region: Pacific
Life stage: Young couple
Meal spending: $10 to $25 per week
Best attribute: Good value

Highlights: Parents of all ages make up half of Del Taco's customers; almost 40% of patrons have at least one child under 19. Food quality also gets high marks. Under-30s head one in three customer households that patronize Del Taco.

At El Torito (above) and Chi-Chi's, two in five are eating out more.

continued on page 106

*R&I estimate **company estimate

R&I CHOICE IN CHAINS

PIZZA

Last year's winner, Pizza Hut, still leads the pack, and Godfather's was able to hold on to the No. 2 spot. Notably, the satisfaction index for each chain is lower than last year, in some cases substantially. The average score last year was 1.11; this year's average is 1.01, with all but the top and bottom entrants bunched together within one-tenth of an index point. As the major chains copy each other's menus and marketing strategies, are customers losing sight of the points of difference among them?

GODFATHER'S

Headquarters: Omaha, Neb.
1987 F&B sales: $261MM
Units (1/1/88): 583
Satisfaction index: 1.07
Where it does best . . .
Region: West North Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Food quality

Highlights: Parents make up half of Godfather's customer base; almost 40% of all patrons have at least one child younger than 19 years old. The average Godfather's household eats seven to 11 meals away from home each week.

DOMINO'S

Headquarters: Ann Arbor, Mich.
1987 F&B sales: $1,980MM
Units (1/1/88): 4,279
Satisfaction index: 1.04
Where it does best . . .
Region: West South Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Service

Highlights: Domino's exerts its strongest appeal on parents: More than half its customers have children. One-quarter are married and working full-time, and more than one-third are eating out more now than a year ago.

PIZZA INN

Headquarters: Dallas
1987 F&B sales: $300MM
Units (1/1/88): 786
Satisfaction index: 1.01
Where it does best . . .
Region: West South Central
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: One-third of all Pizza Inn customer households are headed by someone under 30. Customers give Pizza Inn high marks for good value. Pizza Inn also has strong appeal in the South Atlantic region.

LITTLE CAESAR

Headquarters: Farmington, Mich.
1987 F&B sales: $725MM
Units (1/1/88): 1,820
Satisfaction index: 0.96
Where it does best . . .
Region: East North Central
Life stage: Young parent
Meal spending: $26 to $50 per week
Best attribute: Good value

Highlights: Families are big at Little Caesar: Almost half the customers have a child under 19, and one-third of all customers come from households of four or more. About 72% say they bought takeout food last month.

SHAKEY'S

Headquarters: Irving, Texas
1987 F&B sales: $145.4MM
Units (1/1/88): 364
Satisfaction index: 0.76
Where it does best . . .
Region: Pacific
Life stage: Young parent
Meal spending: $10 to $25 per week
Best attribute: Quality of food

Highlights: The household of an average Shakey's customer earns between $30,000 and $44,900 annually and is headed by someone 30 to 39 years old. The chain's value is almost as appealing to patrons as its food quality. R&I

Shakey's food quality scores high.

ACTION EXPRESS

MAGAZINE DIVISION STAFF

Terrence McDermott, President; David S. Wexler, Vice President Foodservice Group; Thomas J. Dellamaria, Vice President Production and Manufacturing.

BUSINESS STAFF

Barry H. Reese, Publisher; Jane Young Wallace, Associate Publisher; Steven D. Mayer, Director of Marketing; Catherine Erickson, Associate Director of Marketing; Kate Jerney, Assistant to Sales/Marketing Director; M.R. Robinson, Vice President Foodservice Research; Karen Hallberg, Foodservice Research Director; Ed Christ, Circulation Director; Denise Stolton, Circulation Manager.

BUSINESS OFFICES

Mark A. Strauss, National Sales Director. **Midwest:** Rose Deneen, National Sales Coordinator; Spencer B. Isola, Regional Manager; John W. Maisel, Regional Manager; Marjorie S. Maca, District Manager; Susan Kallas, Sales Services Manager; Patricia McGowan, Recruitment/Classified Advertising Manager, Cahners Plaza, 1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5060. Phone: 312/635-8800. **East Coast:** Robert Fisk, Regional Manager; William Lazar, Regional Manager, 8 Stamford Forum, P.O. Box 10277, Stamford, CT 06904-2277. Phone: 203/328-2547. Michael Cardello, Regional Manager and National Sales Manager/Beverage Alcohol, 249 W. 17th St., New York, NY, 10011-5301. Phone: 212/463-6480. **Central Area:** Jerry Stiegler, Regional Manager, 1621 Euclid Ave., Cleveland, OH 44115-2186. Phone: 216/696-1800. **Southeast:** Thomas McElhinny, Regional Manager; Claire Gillen, District Manager, Suite 395, 6520 Powers Ferry Rd., Atlanta, GA 30339-2911. Phone: 404/955-6500. **West Coast:** John Barkan, Regional Manager, Room 1007, 582 Market St., San Francisco, CA 94104-5311. Phone 415/981-2594. Rebecca Roberts, Regional Manager, 18818 Teller Ave., #170, Irvine, CA 92715-1679. Phone: 714/851-9422. **Southwest:** Thomas McElhinny, Regional Manager, 12127 Carriage Hill Dr., Houston, TX 77077-2508. Phone: 713/497-1095. Michael Cardello, Regional Manager, Suite 515, 13740 Midway Road, Dallas, TX 75244-4314. Phone: 214/980-0318. **Japan:** Kaoru Hara, Dynaco International Inc., Suite 1003—Sun-Palace Shinjuku, 8-12-1 Nishishinjuku Shinjuku-ku, Tokyo 160, Japan. Phone: 03/366-8301.

FOR YOUR OWN COPY OF RESTAURANTS & INSTITUTIONS

Call 303/388-4511 or circle 500 on the Reader Service Card.

ADVERTISING INDEX

For more information on the products advertised and featured in this issue, circle the number indicated on the Reader Service Card.

Advertiser	Inquiry No.
Adamation (p.158)	56
American Dairy Association (p.88-89,99)	28
Atkins Technical, Inc. (p.159)	59
Atlantic Cheinco Corp. (p.161)	66
Australian Meat And Livestock Corp. (p.148,149)	51,52
Bally Engineered Structures, Inc. (p.154)	53
Beef Industry Council (p.95-98)	75
Bil Mar Foods, Inc. (p.87)	27
Blue Diamond Growers (p.126-127)	41
Bridgford Foods (p.65)	21
Bunge Edible Oil Corp. (p.21,75)	7,24
Calavo Growers of California (p.22-23,24-25)	8,9
Cambro (p.112-113)	35,36
Carnation Co., Foodservice (p.141)	46
Clear Springs Trout (p.100-101)	31
COEX '89 (p.86-B)	
Continental Coffee Products (p.IBC)	72
Cryovac Div., W.R. Grace & Co. (p.131)	43
Durkee Foodservice Group (p.IFC)	1
Durkee-French Foods, Inc. (p.121-123)	39
Educational Foundation of National Restaurant Assn. (p.137)	13
Equal Low Calorie Sweetner (p.54-55)	18
Farmland Foods, Inc. (p.139)	45
Fishery Products, Inc. (p.90-91)	29
Florida Department of Citrus (p.142-143)	
Harris/3M (p.156-157)	55
Hatco Corp. (p.128)	42
Heinz Co., H. J. (p.14-15,16-17,18-19)	4,5,6
Hormel & Co., George A. (p.72-73)	23
Hunt-Wesson Foodservice Div. (p.7-10)	
Iceland Seafood Corp. (p.57-60,58-A-58-B)	19
International Cold Storage Co., Inc. (p.159)	60
John Morrell (p.110)	34
Karp & Sons, L. (p.4)	3
Katchall Industries, Inc. (p.160)	64
Kellogg Company (p.145)	
Lancaster Colony Commercial Products (p.160)	63
Le Gout Foods, Div. Fearn International, Inc. (p.103)	32
Libbey Glass Foodservice, Libbey Glass Div. (p.29)	10
McGlaughlin Oil (p.161)	67
Micros Systems, Inc. (p.125)	40
Minor Corp., L.J. (p.13)	
Monteray Wine Festival (p.158)	57
National Coffee Assn of U.S.A. Inc. (p.76-79)	25,26
Nemco (p.162)	69
Ore-Ida Foods, Inc. (p.31-33,144-A-144-B,145)	11,12,48
Pierce Foods Corp. (p.81-84)	50
Pittsburgh Corning (p.162)	71
Pork Industry Group (p.86-A)	74
Precision Industries, Inc (p.158)	58
Prepared Foods (p.3)	2
Procter & Gamble, Whirl (p.BC)	73
Rice Council of America (p.67-70)	22
Ridge Tool Co. (p.162)	70
Sequentia, Inc. (p.161)	65
Serv-A-Portion (p.42-43)	17
Smucker Co., The J.M. (p.147)	49
Sugar Foods Corp. (p.35,37)	14
Sunkist Growers, Inc. (p.135-136)	44
Tampa Maid Sea Prods., Inc. (p.93)	30
Tomlinson Industries (p.160)	62
Treasure Isle, Inc. (p.104-105)	33

continued on page 171

BPA ABC ABP

RESTAURANTS & INSTITUTIONS, a Cahners publication
1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5080 Phone: 312/635-8800

Cahners Publishing Company, A Division of Reed Publishing USA ☐ Specialized Business Magazines for Building & Construction ☐ Manufacturing ☐ Foodservice & Lodging ☐ Electronics & Computers ☐ Interior Design ☐ Printing ☐ Publishing ☐ Industrial Research & Technology ☐ Health Care ☐ Entertainment ☐ Specialized Consumer Magazines: American Baby ☐ Modern Bride

RESTAURANTS & INSTITUTIONS (ISSN 0273-5520) is published biweekly (with an additional issue in January, February, March, May, July, September and November) in national, demographic and separate editions by The Cahners Publishing Company, A Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; David S. Wexler, Group Vice President; Jerry D. Neth, Vice President/Publishing Operations; J.J. Walsh, Financial Vice President/Magazine Division; Thomas J. Dellamaria, Vice President/Production and Manufacturing. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to RESTAURANTS & INSTITUTIONS at our Denver address.

RESTAURANTS & INSTITUTIONS copyright 1989 by Reed Publishing USA; Saul Goldweitz, Chairman; Ronald G. Segel, President/CEO; Robert L. Krakoff, Executive Vice President; William M. Platt, Sr. Vice President.

Annual subscription rates for non-qualified people: USA, 1 year $99.95, 2 years $189.95; Canada/Mexico, 1 year $115, 2 years $205; other countries surface mail, 1 year $155, 2 years $290; and air mail, 1 year $240, 2 years $460. Except for special issues where price changes are indicated, single copies of regular issues are available for $10 (USA, Canada/Mexico and foreign). Please address all subscription mail to RESTAURANTS & INSTITUTIONS, 44 Cook St., Denver, CO 80206-5800. RESTAURANTS & INSTITUTIONS has also been published as "INSTITUTIONS, Magazine of the Service World" and INSTITUTIONS/VOLUME FEEDING MANAGEMENT.

Feb. 20, 27, 1989 Not Filmed